

EXHIBIT 8.03A

DETERMINATION OF PROJECTED ACTUAL COSTS OF OPERATIONS

A. CORROBORATION OF ACTUAL COSTS (incurrence and categorization)

B. ADJUSTMENT OF ACTUAL COSTS

C. ESCALATION / PROJECTION OF ADJUSTED ALLOWED COSTS.

1. Adjusted Allowed Labor-Related Costs:

a. Escalation of Labor-Related Cost: (#9240 San Francisco/Oakland/San Jose Consumer Price Index Urban Wage Earners and Clerical Workers Index) = "Projected Labor-Related Costs"

b. Projected Workers Compensation and Employee Health Insurance (quotes, etc.)

2. Escalation of Adjusted Allowed Vehicle-Related Costs = "Projected Vehicle-Related Costs"

a. Escalation of Fuel

(i) Cost of diesel, gas and oil: (#2515 05-73-02-01 Producer Price Index #2 Diesel Fuel)

(ii) Cost of Compressed Natural Gas (#2515 05-51 Producer Price Index Residential Natural Gas)

(iii) Sum of (i) and (ii).

b. Escalation of other vehicle costs (#9340 Producer Price Index Industrial Commodities)

c. Sum = "Projected Vehicle-Related Costs"

d. Reconciliation of actual / projected capitalized maintenance costs

3. Escalation and Projection of Other Costs = "Projected Other Costs"

a. Escalated (#9340 Producer Price Index

Industrial Commodities)

- b. Projected insurance costs (*quotes etc.*)
- c. Sale or lease of assets
- d. Franchise fees (*7.01C*)
- e. Sum = "Projected Other Costs"

4. Reconciliation Plus Projection of Net Interest and Depreciation Expense

- a. Net Interest Expense (*reconciled actual plus projected*)
- b. Depreciation Expense (*reconciled actual plus projected*)
- c. Sum = "Projected Net Interest and Depreciation"

5. Sum of (1) - (4) = Projected Annual Costs of Operations

A. CORROBORATION OF ACTUAL COSTS (incurred and categorized).

Contractor's financial statement will be reviewed to determine Contractor's costs for each of the categories itemized in Section 8.03Ab1 during Year Twelve. City will determine that costs have actually been incurred and have been assigned to the appropriate category.

B. ADJUSTMENT OF ACTUAL COSTS.

1. City may adjust the actual costs in two ways:

(1) to exclude any **non-allowable** costs, set out below, and

(2) to exclude and/or reduce any costs which were not **reasonably and necessarily incurred** in the performance of the services, in accordance with this Agreement (for example, labor and equipment costs associated with the addition of routes beyond those described in the Chart of Accounts listed in Exhibit 8.03A1 that are not caused by increases in the number of Waste Generators or the volume of solid waste collected) unless agreed to in advance in writing by City).

Costs that are **non-allowable** consist of the following:

(1) payments to directors and/or owners of Contractor unless paid as reasonable compensation for services actually rendered. Compensation paid consistent with that shown on Attachment (1) (Directors / Owners Compensation) to this Exhibit will be deemed reasonable.

(2) promotional, entertainment and travel expenses, unless authorized in advance by City.

(3) payments to repair damage to property of third parties or City for which Contractor is legally liable.

(4) fines or penalties of any nature.

(5) liquidated damages assessed under Section 6.07 of this Agreement.

(6) federal or state income taxes.

(7) charitable or political donations.

(8) rental or lease charges for collection vehicles unless specifically required by this Agreement and authorized in advance by City.

(9) attorneys fees and other expenses incurred by Contractor in any court proceeding in which City and Contractor are adverse parties, unless Contractor is the prevailing party in such proceeding.

(10) costs relating to the acquisition of Contractor and the subsequent liquidation, dissolution or merger of Contractor and/or Bay or any Affiliate and the assignment of this Agreement, including additional depreciation that results from the revaluation of Contractor's assets for financial or tax accounting purposes, goodwill associated with the acquisition, and acquisition costs.

(11) payments that relate to the termination of employment of any of the following persons:

- officer,
- shareholder,
- management employee,
- employees who are present spouses, former spouses, siblings, uncles, aunts, cousins, nieces or nephews of present or former officers, shareholders or management employees,
- or agent,

including expenditures for expenses, claims, judgments, settlements, contract buyout payments and severance payments in excess of four weeks' normal compensation.

(12) an excess, if any, of \$10,000 or more, of:

(i) operating costs attributable to extended asset life (including collection labor costs) and maintenance costs of rolling stock (except boom, maintenance, container and pick up trucks) and bins, toters and containers in the 8th, 9th and 10th year of their depreciation, as extended in this Extended and Second Restated Agreement, over

(ii) the 3-year mean of such operating costs and maintenance costs for those assets in the 5th 6th and 7th years (after adjusting Year 5, 6 and 7 operating and maintenance costs by the change(s) in the Consumer Price Index as described in Section 7.01C of the Agreement) of their

depreciation;

excluding costs of capitalized repairs projected to occur by Contractor and labeled "Extended Life Maintenance" in Attachment 2 to this Exhibit 8.03A.

Costs that Contractor might incur to comply with performance obligations that have been added or amended in the Extended and Second Restated Agreement, which costs are documented to satisfaction of City, are allowable costs. New or amended obligations include:

- (1) City's expanding the types of Recyclable Materials to be collected or designating a different recycling facility as authorized under Section 5.07A
- (2) Changes in Contractor's hours of operation in accordance with Section 5.10
- (3) City's designating a differing Transfer Station or recycling facility as authorized under Section 5.13
- (4) removing graffiti in accordance with Section 5.15D
- (5) employee training in routing in accordance with Section 5.14F, including acquisition of necessary software
- (6) timely complying with City's billing protocol in accordance with Section 6.01
- (7) keeping records and reporting in accordance with Section 6.03
- (8) complying with telephone requirements in Section 6.05D
- (9) providing e-mail access in accordance with Section 6.05F
- (10) auditing City billings in accordance with Section 6.15
- (11) replacing lost, stolen or damaged individual household containers in Multi-Unit Residential

Premises in accordance with Section 1.05C5 of Exhibit 5.02

(12) preparation and mailing of Public Information Materials to residents of Multi-Unit Residential Premises in accordance with Section 1.05H of Exhibit 5.02.

[B]2. The costs resulting from adjustments to exclude non-allowable costs and costs that were not reasonably and necessarily incurred are:

- (1) **Adjusted Allowed Labor-Related Costs** (AAL11);
- (2) **Adjusted Allowed Vehicle-Related Costs** (AAV11);
- (3) **Adjusted Allowed Other Costs** (AAO11);
- (4) **Adjusted Allowed Net Interest and Depreciation Costs** (AANID11)

C. ESCALATION / PROJECTION OF ADJUSTED ALLOWED COSTS OF OPERATION. The preceding list of Adjusted Allowed Costs of operation in Year Twelve (which commenced July 1, 2002 and ended June 30, 2003, will be multiplied by the change in the following specified indices compiled and published by the United States Department of Labor, Bureau of Labor Statistics.

1. Escalation of Adjusted Allowed Labor-Related Costs: (#9240 San Francisco/Oakland/San Jose Consumer Price Index Urban Wage Earners and Clerical Workers Index) = **"Projected Labor-Related Costs"**. Projected Labor-Related Costs (excluding workers compensation and employee health insurance costs) for Year Fourteen will be determined by multiplying the Adjusted Allowed Labor-Related Costs for Year Twelve by 100% plus the percentage change in the #9240 San Francisco/Oakland/San Jose Consumer Price Index Urban Wage Earners and Clerical Workers Index between the index most recently published prior to submission of the Request for Calculation of Contractor's Payment and the corresponding index published 12 months earlier. That result is **"Projected Labor-Related Costs for Year Thirteen"** (PL13).

The result for Year Thirteen will then be multiplied by 100% plus the percentage change in the **#9240 San Francisco/Oakland/San Jose Consumer Price Index Urban Wage Earners and Clerical Workers Index** between the index most recently published prior to submission of the Request for Calculation of Contractor's Payment and the corresponding index published 12 months earlier. Escalation/Projection of workers compensation and employee health insurance for Year Fourteen will be based upon quotations or other statements from Contractor's insurance broker, of the premiums for Year Fourteen. That result is the **"Projected Labor-Related Costs for Year Fourteen"** (PL14).

[C]2. Escalation of Adjusted Allowed Vehicle-Related Costs = "Projected Vehicle-Related Costs"

[C2]a. Escalation of Fuel. Vehicle-related costs for Year Fourteen will be projected as follows:

(i) **Cost of diesel, gas and oil:** (#2515 05-73-02-01 Producer Price Index #2 Diesel Fuel). The cost of diesel fuel, gasoline and oil will be projected for

Year Fourteen as follows: the Adjusted Allowed Costs for these materials from Year Twelve will be multiplied by 100% plus the percentage change in the national " #2515 05-73-02-01 Producer Price Index #2 Diesel Fuel" between the index most recently published prior to submission of the Request for Calculation of Contractor's Payment and the corresponding index published 12 months earlier. The result is the **diesel fuel, gasoline and oil cost projected for Year Thirteen.**

The result for Year Thirteen is then multiplied by 100% plus the percentage change in the national "#2515 05-73-02-01 Producer Price Index #2 Diesel Fuel" between the index most recently published prior to submission of the Request for Calculation of Contractor's Payment and the corresponding index published 12 months earlier, and the result is the **diesel fuel, gasoline and oil cost for Year Fourteen.**

(ii) **Cost of Compressed Natural Gas (#2515 05-51 Producer Price Index Residential Natural Gas).** The cost of compressed natural gas ("CNG") fuel will be projected for Year Fourteen as follows: the Adjusted Allowed Costs for CNG from Year Twelve will be multiplied by 100% plus the percentage change in the "#2515 05-51 Producer Price Index Residential Natural Gas" between the index most recently published prior to submission of the Request for Calculation of Contractor's Payment and the corresponding index published 12 months earlier. The result is the **compressed natural gas cost projected for Year Thirteen.**

The result for Year Thirteen will then be multiplied by 100% plus the percentage change in the national "#2515 05-51 Producer Price Index Residential Natural Gas" between the index most recently published prior to submission of the Request for Calculation of Contractor's Payment and the corresponding index published 12 months earlier. The result is the **compressed natural gas cost projected for Year Fourteen.**

(iii) The sum of the costs in preceding steps (i) and (ii) is **"Projected Vehicle-Related Costs / Fuel for Year Fourteen"** (PV14).

[C2]b. Escalation of other vehicle costs (#9340 Producer Price Index Industrial Commodities). All other vehicle-related costs will be projected for Year Fourteen as follows: The Adjusted Allowed Costs in this category from Year Twelve will be multiplied by 100% plus the percentage change in the national "#9340 Producer Price Index Industrial Commodities" between the index most recently published prior to the submission of the Request for Calculation of Contractor's Payment and the corresponding index published 12 months earlier. The result is the **projected all other vehicle-related costs for Year Thirteen.**

The result for Year Thirteen is then multiplied by 100% plus the percentage change in the national "#9340 Producer Price Index Industrial Commodities" between the index most recently published prior to the submission of the Request for Calculation of Contractor's Payment and the corresponding index published 12 months earlier. The result is the **projected all other vehicle-related costs for Year Fourteen.**

[C2]c. Sum = Projected Vehicle-Related Costs for Year Fourteen. The sum of the costs in steps (i) and (ii) is "**Projected Vehicle-Related Costs for Year Fourteen**" (PV14).

C2d. Reconciliation of actual / projected capitalized maintenance costs. Commencing with Year Fifteen, the difference between the projected vehicle capitalized maintenance expenses used as the basis of calculating Projected Depreciation for Year Thirteen and actual depreciation for Year Thirteen is compared. If that projection was greater than that actual amount, it will be subtracted; if it was less, it will be added.

Examples of the computation described in this subsection C2d are appended as Attachment (3) (Examples of Reconciliation of Actual/Projected Capitalized Maintenance Costs Commencing with Year Fifteen and for Each Year Thereafter) to this Exhibit 8.03A.

[C]3. Escalation and Projection of Other Costs = "Projected Other Costs".

[C3]a. Escalated (#9340 Producer Price Index Industrial Commodities). Other Costs (with the exception of insurance) will be projected for Year Fourteen as follows: Adjusted Allowed Other Costs from Year Twelve will be multiplied by 100% plus the percentage change in the national "#9340 Producer Price Index Industrial Commodities" between the index most recently published prior to submission of the Request for Calculation of Contractor's Payment and the corresponding index published 12 months earlier. The result will be the **Other Costs projected for Year Thirteen.**

The result for Year Thirteen will be multiplied by 100% plus the percentage change in the national "#9340 Producer Price Index Industrial Commodities" between the index most recently published prior to submission of the Request for Calculation of Contractor's Payment and the corresponding index published 12 months earlier. The result will be the **Other Costs projected for Year Fourteen.**

[C3]b. Projected insurance costs (quotes etc.). Projected vehicle, general liability, workers compensation and employee health insurance costs for Year Fourteen will be based upon quotations, or other statements, from Contractor's insurance broker, of the premiums for Year Fourteen.

[C3]c. Sale or lease of assets. For transactions occurring in and after Year Fourteen, Contractor must sell or lease assets no longer used in City to provide services under this Agreement in an arm's length transactions for no less than fair market value. The gain or loss on sold assets will be subtracted from or added to, as the case may be, "Projected Other Costs", and will be based upon the difference between the stated value Contractor previously used for purposes of determining Depreciation Expense as provided in this Exhibit below, and documentation satisfactory to City on the sale price. The lease revenue payments on solid waste assets will be based upon documentation satisfactory

to City.

[C3]d. Franchise fees (7.01C). Franchise fees for Year Fourteen will be determined in accordance with Section 7.01C.

[C3]e. Fuel vendor payments (11.08). Payments from fuel vendors to Contractor under the fuel contracts described in Section 11.08 approved by City will be added in accordance with the subsection g.

[C3]f. Route reduction. Parties acknowledge that at the time of the execution of the Extended and Second Restated Agreement, they discussed reducing the number of Commercial/Industrial routes, and Parties will continue to discuss the need for and potential cost savings that would result from that reduction in efforts to reach future agreement with respect thereto.

[C3]g. Sum = "Projected Other Costs for Year Fourteen". The projected insurance costs, franchise fees and loss on sold assets will be added to the calculation of other projected costs and gains on sold assets will be subtracted from the calculation of other projected costs. Lease revenue payments on leased assets will be added to that calculation. The result is "Projected Other Costs for Year Fourteen" (P014).

[C]4. Reconciliation plus Projection of Net Interest and Depreciation Expense.

[C4]a. Net Interest Expense (reconciled actual plus projected). Net Interest Expense will be projected for Year Fourteen based on:

(1) *current debt amortization schedules* as they exist at the time of submission of the Request for Calculation of Contractor's Payment *plus,*

(2) *projected interest expense on new acquisitions* during Years Thirteen and Fourteen.

[C4]b. Depreciation Expense (reconciled actual plus projected). Depreciation Expense will be calculated for Year Fourteen by:

(1) dividing the actual purchase price of the assets by the useful operating life of each such asset listed on Contractor's fixed assets schedule at the time of submission of the Request for Calculation of Contractor's Profit, plus,

(2) projected depreciation expense on new acquisitions during Year Thirteen and Fourteen.

Depreciation expense will be calculated for Year Fifteen by:

(1) dividing the actual purchase price of the assets by the useful operating life of each of those assets listed on Contractor's fixed assets schedule at the time of submission of the Request for Calculation of Contractor's Profit, plus

(2) projected depreciation expense on new acquisitions during Years Fourteen and Fifteen;

(3) *minus* the difference between the Projected Depreciation for Year Thirteen and actual depreciation for Year Thirteen, if that projection was greater than that actual amount; or *plus* that difference, if that projection was less than that actual amount.

For purposes of this calculation, assets are deemed to have the following useful lives, if Contractor owned and operated the assets within City in connection with services provided under this Agreement:

<u>Asset</u>	<u>Useful Life</u>
Office equipment (including Computers); repair equipment	5 years
boom, maintenance container and pickup trucks	7 years
all other rolling stock, bins, toters containers	10 years
real property and improvements	30 years

[C4]c. Sum = "Projected Net Interest and Depreciation". The sum of projected Net Interest Expense and Projected Depreciation for Year Fourteen is "Projected Net Interest and Depreciation for Year Fourteen (PNID14)".

Examples of the computation described in this subsection C4 are appended as Attachment (4) (Examples Of Reconciliation Plus Projection Of Net Interest And Depreciation Expense For Year Fourteen And For Each Year Thereafter) to this Exhibit 8.03A.

[C]5. Sum of (1) - (4) = "Projected Annual Costs of Operations" The sum of Projected Labor-Related Costs, Projected Vehicle Related Costs, Projected Other Costs and Projected Net Interest and Depreciation equal **"Projected Annual Costs of Operations for Year Thirteen"** (PAC013)

ATTACHMENT (1) TO EXHIBIT 8.03A:
Directors/Owners Compensation

BAY COUNTIES WASTE SERVICES, INC.
dba Specialty Solid Waste and Recycling, Inc.
ORGANIZATIONAL STRUCTURE

President / CEO General Manager Robert Molinaro
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- ⇒ Serves as General Manager, primarily in the area of Operations
- ⇒ Long range strategic planning
- ⇒ Compliance with AB 939
- ⇒ Primary contact with City Council, Senior Mgmt of specific financial institutions, corporate executives, and other high-profile individuals
- ⇒ Review and approval of accountants, attorneys, and additional key subcontractor relationships
- ⇒ Assists in recruitment of high potential individuals for future employment, in all areas of the company
- ⇒ Analyzes potential for business opportunities that will positively affect the Sunnyvale contract

Vice President Human Resources Manager Douglas Button
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- ⇒ Review and analysis of labor agreement
- ⇒ Management of employee pension program
- ⇒ Development and management of employee performance review program
- ⇒ Development and management of employee reward program
- ⇒ Development and management of corporate code of conduct
- ⇒ Development and management of employee disciplinary actions
- ⇒ Assists in recruitment of high potential individuals for future employment, in all areas of the company
- ⇒ Primary contact with City Council
- ⇒ Interacts with key community high-profile individuals

Operations Officer Jerry Nabhan
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- ⇒ Overall management responsibility for day-to-day operations
- ⇒ Manages all route operations
- ⇒ Manages all customer service and equipment maintenance operations
- ⇒ Interviews and hires new personnel
- ⇒ Assists CFO in formation of operating budget
- ⇒ Manages franchise / City-requested programs
- ⇒ Reports to Board on status of complaints, damages, injuries, and any special projects
- ⇒ Manages any additional operational activities as directed by the Board

Chief Financial Officer William Dobert

- ⇒ Primary contact with City staff
- ⇒ Develops and manages operating budget
- ⇒ Administers employee benefits package as directed by the Human Resources Manager
- ⇒ Primary contact with outside accountants, attorneys, and financial institutions
- ⇒ Redefines, expands, and manages the Controller's position
- ⇒ Develops and manages a computerized departmental reporting and financial audit system
- ⇒ Performs financial assessments of existing and proposed programs to determine maximum operating efficiency

**BAY COUNTIES WASTE SERVICES, INC.
dba Specialty Solid Waste and Recycling, Inc.**

BCWS has stated that total owner / senior management allocated compensation will not exceed \$500,000.00 for the initial fiscal year, with subsequent cost of living adjustments annually. It is highly improbable that owners will receive any compensation during the initial six months of operations, and most likely will receive a substantially reduced amount during the initial three years of the Franchise Agreement, given the contractor payment cap.

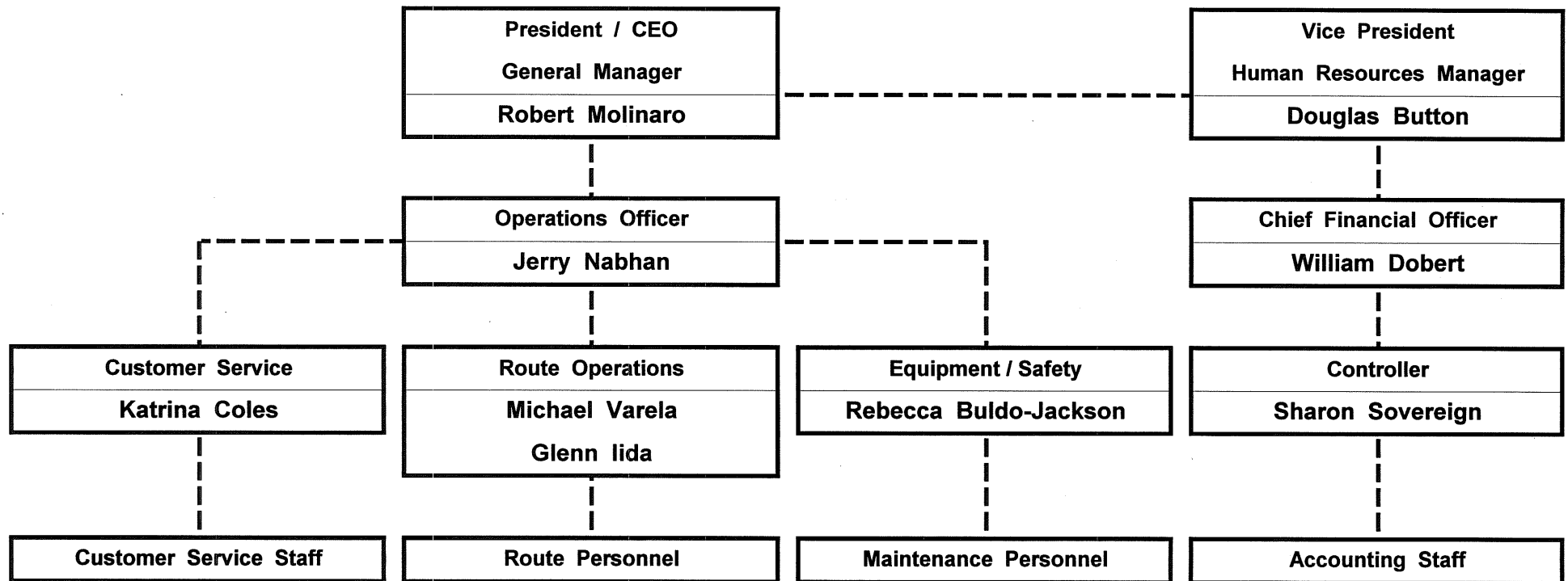
In addition to the four key positions referenced above, BCWS has available to them the resources of highly qualified individuals from the respective member companies. It is management's intent to utilize specific expertise, which will benefit both the City and BCWS. It is our intent to provide compensation to such individuals, for specific time worked. There will be no compensation paid to any individuals on an absentee basis. We intend to fund all owner-related "labor" contributions to the Sunnyvale operation from the total owner compensation allotment of \$500,000.00.

This arrangement provides BCWS the availability of "area experts" in areas such as yardwaste collection, computer technology, shop maintenance, equipment purchasing, etc. Additionally, the Operations Officer will also serve as Route Supervisor, which far exceeds those responsibilities currently included at Specialty. This overall owner / senior management compensation allotment does not exceed the current Specialty allocation, and we would expect to pay for such position responsibilities.

BAY COUNTIES WASTE SERVICES, INC.
dba Specialty Solid Waste and Recycling, Inc.

ORGANIZATIONAL STRUCTURE

Revised 06-Dec-04



ATTACHMENT (2) TO EXHIBIT 8.03A:

Extended Life Maintenance

(Projected costs of **capitalized repairs** on equipment subject to extended depreciation in conjunction with the extension of the Term)

ATTACHMENT (2) TO EXHIBIT 8.03A: EXTENDED LIFE MAINTENANCE

SCHEDULE OF NEW EQUIPMENT ACQUISITION

Description	FY 01/02		FY 02/03		FY 03/04		FY 04/05		FY 05/06		FY 06/07		FY 07/08		FY 08/09		FY 09/10		FY 10/11		FY 11/12		FY 12/13		FY 13/14		FY 14/15		FY 15/16		FY 16/17		FY 17/18		
	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost			
Dept 100: Front-Load Refuse																																			
Vehicles	6	1,492,895													1	316,945	3	984,113			6	2,108,414													
Extended Life Maint																184,388																			
Major Repairs				7,907		6,425		2,500		27,718		86,064		2,772		2,869		2,969		3,073		3,181		3,292		3,407		3,526		39,099		121,402		3,910	
Containers		88,568		117,892		91,843		95,058		98,385		101,828		105,392		109,081		112,899		116,850		120,940		125,173		129,554		134,088		138,781		143,639		148,666	
Dept Total		1,581,463		125,799		98,268		97,558		128,690		190,571		108,164		613,283		1,099,981		119,923		2,232,534		128,465		132,961		137,615		181,530		268,819		152,576	
Dept 200: Roll-Off Refuse																																			
Vehicles	1	148,627											1	182,700			1	195,713			1	209,653										1	257,717		
Rails for Free Trials						70,000																													
Extended Life Maint																30,731												37,777				40,467			
Major Repairs				8,995				2,500		2,588		28,688		2,772		2,869		2,969		3,073		3,181		3,292		3,407		3,526				3,778		3,910	
Containers						15,000		15,525		16,068		16,631		17,213		17,815		18,439		19,084		19,752		20,443		21,159		21,900		22,666		23,459		24,280	
Dept Total		148,627		8,995		85,000		18,025		18,656		47,997		202,685		51,415		217,121		22,157		232,586		23,735		24,566		63,203		26,316		67,704		285,907	
Dept 300: Residential Refuse																																			
Vehicles	9	2,294,495					1	282,693													9	3,236,598				1	398,719								
Extended Life Maint																276,582						34,072													
Major Repairs		8,506		7,913		5,000		5,000		5,175		5,356		5,544		5,738		5,938		6,146		6,361		6,584		6,814		7,053		7,300		7,555		7,820	
Containers		13,125		4,881		5,052		1,426,656		5,411		5,601		5,797		6,000		6,210		6,427		6,652		6,885		7,126		2,012,438		7,633		7,900		8,177	
Dept Total		2,316,126		12,794		10,052		1,714,349		10,586		10,957		11,340		288,320		12,148		12,573		3,283,683		13,469		13,940		2,418,211		14,933		15,456		15,997	
Dept 400: Commercial Recycling																																			
Vehicles							2	552,398																		2	779,212								
Extended Life Maint																																			
Major Repairs																																			
Containers				2,460		2,500		2,500		2,588		2,678		2,772		2,869		2,969		3,073		68,145		3,282		3,407		3,526		3,650		3,778		3,910	
Dept Total		-		2,460		2,500		554,898		2,588		2,678		2,772		2,869		2,969		3,073		71,326		3,292		3,407		782,738		3,650		3,778		3,910	
Dept 500: Residential Yard Waste																																			
Vehicles			5	1,376,192																		5	1,941,255												
Extended Life Maint																																			
Major Repairs				7,642		5,000		2,500		2,588		2,678		2,772		2,869		2,969		3,073		3,181		3,292		3,407		3,526		3,650		3,778		3,910	
Containers				1,230,682		5,000		5,175		5,356		5,544		5,738		5,938		6,146		6,361		1,742,583		6,814		7,053		7,300		7,555		7,820		8,093	
Dept Total		1,233,203		1,383,835		10,000		7,675		7,944		8,222		8,509		8,807		168,150		9,435		1,745,764		1,951,362		10,460		10,826		11,205		11,597		12,003	
Dept 700: Residential / Multi Family Recycling																																			
Vehicles	4	1,064,068	1	237,148	1	257,900	1	266,927													4	1,358,420	1	351,491	1	363,793	1	376,526							
Extended Life Maint																						34,072													
Major Repairs		504		6,416		2,500		2,500		2,588		2,678		2,772		2,869		2,969		3,073		3,181		3,292		3,407		3,526		3,650		3,778		3,910	
Containers		201,879		20,011		20,711		21,436		22,186		169,333		23,767		47,496		25,459		2,749,319		27,272		28,227		29,215		30,237		31,296		32,361		33,525	
Dept Total		1,266,451		263,574		281,111		290,863		24,774		172,011		26,538		173,290		60,235		2,785,312		1,422,946		383,010		396,415		410,290		34,945		242,639		37,434	
Dept 800: Vehicle Maintenance																																			
Pickups							1	32,237																											
Repair Truck			1	60,613																															
Repair Equipment		11,763		3,564		4,988		10,504		21,937		10,222				13,995		1	77,117		1,145		14,807		7,300		3,668		13,306		22,850		1	98,114	
Water Recovery Sys										120,491																						14,419		1,457	
Shop Retrofit for CNG				22,959																		153,297													
Dept Total		11,763		87,136		4,988		42,741		142,428		10,222		-		13,995		77,117		1,145		209,119		7,300		3,668		13,306		22,850		112,533		1,457	
Dept 900: Container Maintenance																																			
Pickups																																			
Container Truck												1	100,923																						
Stake-Side Truck			1	39,313														1	50,018						1	128,403						1	63,636		
Forklift			1	48,931														1	62,254																
Repair Equipment								1,714		5,738				19,080										2,181		7,300								26,914	
Dept Total		-		88,245		-		1,714		5,738		154,556		19,080		-		112,272		-		2,181		7,300		198,639		-		-		142,841		28,914	
Dept 000: Administration																																			
Pickups																																			
Radio Equipment		2,409		45,369	1	27,393							1	34,036				2	57,722	1	34,852							43,303		80,404		2	73,439	1	44,341
Office Equipment		6,101		325						57,000		15,000																	23,459						
Computer System		5,604		23,116		5,000		5,175		5,356		5,544		5,738		5,938		6,146		6,361		6,584		14,106		7,053		7,300		7,555		7,820		8,093	
Telephone System																																			
Parking Lot Upgrade		357,789																																	
CNG Fueling Station		424,032		148,667																															
Dept Total		795,935		217,477		32,393		5,175		77,356		40,544		39,773		5,938		63,868		41,213		6,584		20,920		7,053		50,603		111,418		130,829		52,434	
7,353,568		2,190,313		524,312		2,732,997		418,759		637,758		418,862		1,157,917		1,813,862		2,994,832		9,206,722		2,538,853		789,110		3,886,792		406,848		995,996		588,633			

ATTACHMENT (3) TO EXHIBIT 8.03A:
Examples of Reconciliation of Actual/Projected
Capitalized Maintenance Costs Commencing With
Year Fifteen and for Each Year Thereafter

ATTACHMENT (3) TO EXHIBIT 8.03A
Examples of Reconciliation of Actual/Projected Capitalized Maintenance Costs
Commencing With Year Fifteen and for Each Year Thereafter

Example 1: Projection Greater than Actual Amount				
Dept	Projected Cost	Year 15 Depreciation	Year 15 Profit	Year 15 Compensation
10	27,718	1,385.90	128.74	1,514.64
	Actual Cost	Year 15 Depreciation	Year 15 Profit	Year 15 Compensation
	19,000	950.00	88.25	1,038.25
Deduct from Contractor Payment				476.39

Example 2: Projection Less than Actual Amount				
Dept	Projected Cost	Year 15 Depreciation	Year 15 Profit	Year 15 Compensation
10	27,718	1,385.90	128.74	1,514.64
	Actual Cost	Year 15 Depreciation	Year 15 Profit	Year 15 Compensation
	32,800	1,640.00	152.35	1,792.35
Add to Contractor Payment				277.71

ATTACHMENT (4) TO EXHIBIT 8.03A:
Examples of Reconciliation Plus Projection of Net
Interest and Depreciation Expense for Year
Fourteen and for Each Year Thereafter

ATTACHMENT (4) TO EXHIBIT 8.03A**Examples of Reconciliation Plus Projection of Net Interest and Depreciation Expense
for Year Fourteen and for Each Year Thereafter**

Example 1: Projection Greater than Actual Amount				
Dept	Projected Interest Expense	Projected Interest Income	Projected Profit	Year 14 Compensation
00	362,702.92	32,971.85	30,630.76	360,361.83
	Actual Interest Expense	Actual Interest Income	Actual Profit	Year 14 Amount Due
	291,737.40	9,359.00	26,231.87	308,610.27
Deduct from Contractor Payment				51,751.55

Example 2: Projection Less than Actual Amount				
Dept	Projected Interest Expense	Projected Interest Income	Projected Profit	Year 14 Compensation
00	362,702.92	32,971.85	30,630.76	360,361.83
	Actual Interest Expense	Actual Interest Income	Actual Profit	Year 14 Amount Due
	408,000.00	9,359.00	37,032.22	435,673.22
Add to Contractor Payment				75,311.40

ATTACHMENT (4) TO EXHIBIT 8.03A

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Example 1: Projection Greater than Actual Amount			
Dept	Projected Depreciation	Projected Profit	Year 14 Compensation
10	277,174.51		
20	62,833.11		
30	246,139.96		
40	25,139.23		
50	295,886.17		
70	365,277.59		
80	228,466.98		
90	41,171.31		
00	39,878.53		
	1,581,967.39	146,958.72	1,728,926.11
	Actual Depreciation	Actual Profit	Year 14 Compensation
10	250,000.00		
20	50,000.00		
30	225,000.00		
40	20,000.00		
50	265,000.00		
70	325,000.00		
80	225,000.00		
90	27,000.00		
00	26,000.00		
	1,413,000.00	131,262.30	1,544,262.30
Deduct from Contractor Payment			184,663.81

Example 2: Projection Less than Actual Amount			
Dept	Projected Depreciation	Projected Profit	Year 14 Compensation
10	277,174.51		
20	62,833.11		
30	246,139.96		
40	25,139.23		
50	295,886.17		
70	365,277.59		
80	228,466.98		
90	41,171.31		
00	39,878.53		
	1,581,967.39	146,958.72	1,728,926.11
	Actual Depreciation	Actual Profit	Year 14 Compensation
10	435,003.48		
20	104,788.52		
30	446,659.50		
40	56,634.90		
50	339,364.78		
70	442,620.55		
80	133,237.36		
90	34,142.62		
00	36,094.05		
	2,028,545.76	188,444.14	2,216,989.90
Add to Contractor Payment			488,063.79